Saskatchewan Teachers' Superannuation Commission

2013-14
ANNUAL REPORT
SUPERANNUATION
CENTAL

Government of Saskatchewan

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This annual report is available in electronic format at **www.stsc.gov.sk.ca**.

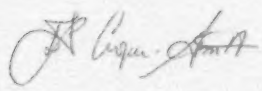
Letter of Transmittal

The Honourable Don Morgan, Q.C.
Minister in Charge
Teachers' Superannuation Commission

Sir:

The Teachers' Superannuation Commission has the honour to submit the Annual Report outlining activities under *The Teachers Superannuation and Disability Benefits Act* for the year ending June 30, 2014 and *The Teachers' Dental Plan Act* for the period ending December 31, 2013.

Respectfully submitted,



Dr. Derwyn Crozier-Smith
Chairperson

2013 – 2014 Annual Report

The Saskatchewan Teachers' Superannuation Commission
129 – 3085 Albert Street
Regina, Saskatchewan S4S 0B1

submits the:

Eighty-fourth Annual Report with respect to
The Teachers Superannuation and Disability Benefits Act for the Year Ended June 30, 2014 and

Twenty-ninth Annual Report with respect to
The Teachers' Dental Plan Act
for the Year Ended December 31, 2013

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Message from the Chairperson

On behalf of the Teachers' Superannuation Commission, I am pleased to present the 2013-14 Annual Report of the Saskatchewan Teachers' Superannuation Commission.

Due to the closed nature of the Plan, the Teachers' Superannuation Fund (TSF) assets continue to diminish towards its legislative end date of June 30, 2030. Effective July 1, 2012, the Commission adopted a de-risking investment strategy with the objective to preserve capital and reduce risk during the remaining years in which the TSF exists.

As at June 30, 2014, over 65% of the TSF assets are invested in fixed income. With the portfolio heavily weighted on fixed income, it is expected that investment returns would produce lower results; however, this is offset with lower risk exposure to the Fund. Even though the asset mix favours lower risk investments, the Fund returned a positive 9.2% return over the past year, but trailed its benchmark by 2.8%. Over the longer term of 10 years investment performance looks strong with a 6.8% return, which is a value add of 0.3%.

During 2013-14, the Commission monitored the levels of the TSF assets and amended its investment policy to move to the next step of the de-risking glidepath for the Fund's asset mix effective July 1, 2014. The Commission will continue to monitor the asset base of the TSF as well as the progress and performance of the TSF de-risking model.

The Commission is committed to strong governance and adhering to best practices. To strengthen its governance structure, the Commission developed and adopted a Dispute Resolution Process, which sets the framework to follow if a dispute involving the Commission arises. The Dispute Resolution Process is available on the Commission's website

The Commission completed an actuarial valuation for the year ending June 30, 2013. The previous valuation was conducted two years earlier as at June 30, 2011. This financial snapshot in time assists the Commission in monitoring the growing unfunded liability that exists within the Teachers' Superannuation Plan. The Commission will continue to conduct biennial valuations.

The Commission acknowledges with sincere appreciation, the administrative team whose efforts resulted in another successful year of service to the membership. The Commission also expresses its appreciation to the Saskatchewan Teachers' Federation, the Superannuated Teachers of Saskatchewan, the school divisions and regional colleges and the administrative staff within the Ministry of Education for their respective contributions to the success of the Commission.

Dr. Derwyn Crozier-Smith
Chairperson, Teachers' Superannuation Commission

Profile

The Teachers' Superannuation Commission (TSC, the Commission) is established under *The Teachers Superannuation and Disability Benefits Act*.

The Minister of Finance is the trustee of the Teachers' Superannuation Fund (TSF) while the TSC is charged with administration of *The Teachers Superannuation and Disability Benefits Act*, *The Teachers' Dental Plan Act*, and *The Teachers' Life Insurance (Government Contributory) Act*.

The Province of Saskatchewan sponsors the TSF, with contributions also coming from plan members who are represented by the Saskatchewan Teachers' Federation (STF).

The Teachers Superannuation and Disability Benefits Act is a negotiable matter under *The Education Act, 1995*.

The Teachers' Superannuation Plan was closed in July 1980, and a new plan was created, now known as the Saskatchewan Teachers' Retirement Plan, for which administration has been transferred to the STF.

As at June 30, 2014, the TSF has net assets available for benefits of $0.543 billion, actuarial pension obligations of $5.858 billion, and a deficit of $5.315 billion.

More on-line at www.stsc.gov.sk.ca

Plan Governance at a Glance

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Teachers' Superannuation Commission

Mission

The Commission's mission is to provide pensions and benefits for plan members through prudent stewardship of assets and liabilities and effective plan administration in accordance with current legislation.

Mandate

To attain this outcome, our organizational mandate is to administer the various Acts to ensure the provision of retirement and negotiated benefits to teachers. The various Acts (and regulations thereto) are:

- *The Teachers Superannuation and Disability Benefits Act*
- *The Teachers' Life Insurance (Government Contributory) Act*
- *The Teachers' Dental Plan Act*

The TSC is not subject to the Saskatchewan *Pension Benefits Act, 1992* except in relation to investments.

Objectives

Our specific objectives associated with this organizational mandate are:

- Communicate information and guidance to plan members
- Collect pension contributions from all participating teachers
- Accept additional contributions for the Voluntary Contributions Fund
- Calculate and distribute retirement benefits to teachers, spouses and dependents of deceased teachers
- Assess, review and provide disability benefits to eligible teachers
- Monitor the performance of the pension fund investments
- Negotiate and administer reciprocal transfer agreements with other jurisdictions
- Maintain appropriate financial records of the affairs of the Plan
- Manage accurate and timely dental claims administration in conjunction with the insurance carrier
- Administer the insurance claims associated with death and dismemberment in conjunction with the service carrier

Governance

The Commission maintains its governance manual that is posted on the website. This manual is the key document directing the Commission's governance activity during the year. The manual facilitates the planning and tracking of progress in areas such as ongoing board education, strategic planning, board-self assessment, and monitoring of administration operations and management. The manual also addresses various overarching matters such as: conflict of interest, dispute resolution, risk management, investment policy and monitoring, roles and responsibilities, and code of conduct.

Accountability

The TSC issues this annual report including audited financial statements supported by an actuarial opinion.

Commission Members

The TSC is responsible to the Minister in Charge for the administration of *The Teachers Superannuation and Disability Benefits Act*, who at present is also the Minister of Education (the Minister).

The TSC consists of seven members appointed by the Lieutenant Governor in Council:

- Three members are nominated by the STF executive committee
- Three members are nominated by the Minister
- A Chairperson is nominated by the other six members

Appointments are typically for a term of five years and are eligible for reappointment.

During 2013-14, Clint Repski was reappointed to the Commission for another five-year term. Mr. Repski's second tenure on the Commission became effective September 11, 2013.

Murray Wall's appointment to the Commission expires July 1, 2014. Mr. Wall has been nominated by the STF to continue on the Commission for another five-year term.

Commission members as at June 30, 2014 with background credentials are:

Derwyn Crozier-Smith, B.Ed., B. A., M.Ed., Ph.D. Chairperson Former STF General Secretary, Former STF Executive Assistant	
Brian Smith Assistant Deputy Minister Ministry of Finance	**Murray Wall, B.Ed., B.Sc., M.Ed.** Senior Administrative Staff Saskatchewan Teachers' Federation
Clint Repski, B.Admin, CA Acting Assistant Deputy Minister Ministry of Education	**Laurel Irving Piot, B.Ed., P.G.D., M.Ed.** Senior Administrative Staff Saskatchewan Teachers' Federation
Doug Schell, CA Director, Financial Analysis & Reporting, Education Funding Ministry of Education	**Michael Gatin, B.A., B.Ed., P.G.D.** Senior Administrative Staff Saskatchewan Teachers' Federation

	Meeting attendance	Expiration of term
Derwyn Crozier-Smith	6 of 7	May 18, 2016
Brian Smith	7 of 7	December 5, 2017
Murray Wall	7 of 7	July 1, 2014
Clint Repski	5 of 7	September 11, 2018
Michael Gatin	5 of 7	December 5, 2017
Doug Schell	6 of 7	December 5, 2017
Laurel Irving Piot	6 of 7	February 28, 2017

Commission Member Role and Responsibilities

It is the collective responsibility of the members of the Commission to:

- Fulfill the mission statement
- Administer the Plans in compliance with governing legislation
- Determine any question as to the application of *The Teachers Superannuation and Disability Benefits Act*
- Review all applications for disability benefits
- Establish investment policy and monitor investment performance
- Promote awareness and understanding of the Plans
- Monitor management and administration of the Plans
- Report annually to the Minister responsible for the Commission

Commission Strategic Plan: Key Functions, Objectives and Actions

To fulfill its statutory obligations and to address challenges and opportunities, the Commission reviewed and updated its Strategic Plan in October 2013. The Strategic Plan contemplates a number of risks identified in the Risk Assessment and Management Plan.

The Strategic Plan outlines four key functions:

1. Governance
2. Administration
3. Member Services
4. Affiliate Services

Each Key Function involves a number of Strategic Objectives that the Commission and its Executive Director review and revise on an annual basis in accordance with the TSC's governance manual. These Strategic Objectives indicate where the TSC is headed, at least in the foreseeable future.

For each Strategic Objective, the Strategic Plan highlights various Strategic Actions that the Commission will do to carry out the TSC's purpose of providing appropriate pension, long-term disability, dental and group life insurance benefits to relevant Saskatchewan members.

The application of the Strategic Plan is designed to highlight and communicate the nature of the services provided by the TSC and is intended to maintain the focus on activities that best address relevant risks and ensure statutory obligations are being met. The Strategic Plan is structured to be concise, practical, and manageable, relying on reference documents that contain greater detail (i.e., risks, communication, information systems) and facilitates healthy governance in identifying measurable objectives through which measurement against plan and reporting can occur.

Commission Strategic Plan: Key Functions, Objectives and Actions

1. Governance

The Commission's governance processes:

- Ensure the Commission carries out its purposes as set out in relevant legislation for the: Teachers' Superannuation Plan, Disability Benefits Plan, Dental Plan, and Group Life Insurance Plan
- Exhibit leadership in fulfillment of fiduciary duty
- Establish TSC policies
- Provide an operational and governance framework; communicate and report on it

Strategic Objective	Strategic Action
• Monitor, evaluate and report on the effectiveness of the TSC's governance structures ensuring compliance with relevant legislation and policies.	• The Commission follows an annual planning calendar that is part of its Strategic Plan • At its annual planning meeting in October 2013, the Commission reviewed, revised and approved its Strategic Plan for 2013-14 • The Commission reviewed, revised and approved amendments and additions to its Governance Manual at its January 2014 meeting • Commission members completed self-assessments and submitted signed conflict of interest declarations • The Commission conducted an actuarial valuation as at June 30, 2013 for the superannuation and disability plans. The superannuation valuation was filed with the Canada Revenue Agency. The valuation also included a financial projection report that estimates the superannuation allowances payable for the next 75 years • In April 2014, the Commission reviewed its Investment Policy and Objective Statement (IP&OS) to ensure the clarity of its policies and replicates industry best practices. The IP&OS was amended to reflect the next step for the Commission's de-risking investment strategy.

• Encourage and foster a shared understanding of the TSC's governance structure and organizational processes within government, teacher membership and associated agencies.	• The Commission maintains regular communication with the Ministries of Education and Finance with respect to the funding requirements from the General Revenue Fund for the superannuation, disability and benefit plans • In January 2014, the Commission developed and adopted a *Dispute Resolution Process*, which establishes procedures to follow if a dispute with the Commission arises. Members can access this process on the Commission's website • The Commission tables an annual report that outlines the activities of the TSC and its governance for the Teachers' Superannuation Plan, Teachers' Disability Benefits Plan and Teachers' Dental Plan. The annual report is widely distributed and is accessible on the TSC website for all interested parties • The Commission also tables a separate annual report on the activities of the Teachers' Group Life Insurance Plan • Two newsletters are mailed on an annual basis. One newsletter is directed at the active members in the superannuation plan and the other is targeted towards the superannuated members
• Encourage innovation in the identification and analysis of ways to add value and manage risks.	• Management participated in the Annual Meeting of the GE Private Equity Investors Conference Call and reported back to the Commission with an update surrounding the investment status, performance and outlook for both international private equity portfolios • At its March 2014 meeting, the Commission completed a Fraud and Error questionnaire and submitted it to the Provincial Auditor of Saskatchewan for its review • At its October 2013 meeting, the Commission reviewed and revised its Risk Assessment and Management Plan to identify key risks and how to manage those risks • The Commission monitored the progress of the TSF asset base and adopted the next de-risking glidepath to be effective July 1, 2014

2. Administration

The Teachers' Superannuation Commission's Administration;

- Provides support for the provision of pension allowances, disability, dental and group life insurance benefits to teachers in accordance with legislation
- Maintains and safeguards the TSC's assets directly and indirectly through agents and advisors
- Supports the Commission and government agencies as requested
- Implements Commission policies and directives
- Adds value and manages risks associated with the TSC's business portfolio
- Enriches and develops the TSC's human resources

Strategic Objective	Strategic Action
• Ensure effective operation of the TSC's governance structure in accordance with legislation and policies.	• At all meetings, the Commission receives an updated plan activity chart that allows the Commission to effectively monitor the ongoing activities of the Commission and TSC Administration to ensure action items are completed
• Establish and implement effective ways to carry out the TSC's Key Functions and Strategic Objectives.	• At its annual planning meeting in October 2013, the Commission refined its strategic plans after approving a revised risk assessment and management plan • In October 2013, the Commission evaluated the performance of its agents and advisors to whom it has delegated certain responsibilities • On a quarterly basis, the Commission met with its investment consultant, Aon Hewitt to review the performance of the investment returns as it compares to benchmarks. The Commission also met with the plan fund manager, Greystone Managed Investments during 2013-14 to review investment performance of the Fund • The Commission received quarterly reports from its private equity fund manager, GE Asset Management, to monitor the International Private Equity investment portfolios • Along with its information technology service provider, the Commission maintains an information technology plan for disaster recovery that integrates with a business continuity plan for its information systems

	• In October 2013, the Commission reviewed and approved its Communication Plan. The Communication Plan is aligned with the overall Strategic Plan and TSC Governance Manual • The Commission maintains and reviews an effective Risk Assessment and Management Plan
• Provide effective oversight of the administrative operations of the TSC.	• The Commission receives regular updates on the progress towards fulfilling the recommendations made by the Provincial Auditor of Saskatchewan • The Commission annually evaluates the performance of the Executive Director utilizing the management performance tool, *Planning for Success* • The Commission receives quarterly financial reports on the financial operations of the TSC as well as all pension and benefit plans under administration • The Commission receives an administrative update report from management on the administrative and financial operations of the Teachers' Superannuation Commission at every meeting.

3. Member Services

The TSC acknowledges the importance of service to teachers. For member services the TSC will:

- Assist/Enable teachers to understand the options available to them respecting their pension, disability benefits, dental and group life insurance coverage
- Support teachers through timely, responsive and appropriate communication
- Render services with personalized care and attention, with integrity, fairness and efficiency

Strategic Objective	Strategic Action
• Identify and assess performance measurement against relevant service standards.	• The TSC Staff provide care and attention to the quality of service provided to teachers for all plans under administration • Management regularly reviews its policies and procedures to ensure it is meeting its statutory requirements for the teacher pension and benefit plans • The TSC staff collaborate with the insurance carrier to implement the most efficient processes to administer the benefit plans • Administration meets annually with the insurance carrier to review service standards and claim turnaround times
• Ensure continuity and consistency of service received.	• The TSC has implemented procedures and processes for cross-training to maintain high quality service and ensure adequate segregation of duties to mitigate risk to superannuation and benefit plan monies

4. Affiliate Services

The TSC interacts with a number of affiliate parties when delivering services to teachers. For affiliate services the TSC will:

- Support teachers through cooperative, progressive relationships with teacher related organizations (i.e. School Divisions, Saskatchewan Association of School Business Officials (SASBO), League of Education Administrators, Directors and Superintendents (LEADS), etc.)
- Work with the Saskatchewan Teachers' Federation (STF) and Superannuated Teachers of Saskatchewan (STS) where possible and invited to do so in support of Saskatchewan teachers

Strategic Objective	Strategic Action
• Seek collaboration and initiate activities that increase service to membership or add value and minimize risk to teachers or the people of Saskatchewan.	• When requested by the STF, the TSC Administrative staff attends STF sponsored retirement planning seminars and provides pension projections for seminar participants • The TSC staff communicate regularly with school divisions to continue the efficiency of remitting teacher contributions for the superannuation and group life insurance plans • Maintain an open dialogue with the STF and STS to best serve the needs of current and superannuated teachers

Administration

The TSC employs an Executive Director and staff required for administration of the various legislation and commission policies and is independent from management.

The administrative team consisting of 12.0 full time equivalent employees is responsible for all the administrative functions that result in meeting the objectives outlined earlier and includes the strategic and operating unit work plans, financial and business decisions, evaluation of results against these plans, and reporting of activity to Commission members. Refer to the governance manual for further elaboration of management's roles and responsibilities.

The administrative team also highlights certain policy decision items to the Commission members, including relevant recommendations, and responds to requests for information or onward execution as requested by Commission members.

Administration works very closely and cooperatively with the Saskatchewan Teachers' Federation to ensure seamless delivery of consistent, high-quality services to teachers across the province. This is particularly true in relation to the retirement planning sessions facilitated by the Saskatchewan Teachers' Federation. Collaboration on these retirement oriented activities ensures the teachers of Saskatchewan have the opportunity to be informed through group and one-on-one counseling sessions.

Management formally communicates to Commission members on the operational activities at the regularly scheduled meetings, in addition to ad-hoc communications on various matters. The Commission conducts performance evaluation of management against established objectives.

The $1.6 million operating budget of the Commission is paid out of monies appropriated by the Legislature.

Consultants

The TSC, as part of fulfilling its fiduciary duty in relation to the assets of the funds and as part of good governance, may acquire specialist competencies. This may include the engagement of technical, professional or other advisor, specialist or consultant services. Given the specialist knowledge required in investment management, defined benefit plan valuations and calculations, and pension administration software, the TSC does engage a number of outside consultants and advisors.

Actuarial consulting firms assist with the development of the investment policy guidelines, propose assumptions and perform the calculations of benefits for marriage breakdown, and actuarial present value for the purpose of transfer agreements. Actuarial services are also required in preparing a valuation of the Plan and for cash flow projections. The current actuary for the plan is Aon Hewitt.

Investment managers provide the necessary expertise in managing the pension assets in compliance with the asset mix guidelines to ensure risk-adjusted returns are maximized and achieve performance at or above the established performance benchmarks. Quarterly performance reports and presentations are provided to Commission members. Greystone Managed Investments Inc. is responsible for managing the assets with the exception of private equity managed by GE Asset Management.

State Street Trust Company, the investment custodian, provides compliance reporting on a quarterly basis and all results are reported to Commission members.

Aon Hewitt also assists the Commission as an investment advisor by monitoring performance of the investment managers. Reports and presentations are provided to Commission members quarterly.

When required, legal consultation is provided by either the Ministry of Justice or private legal counsel. Legal advice provided to the Commission ensures all legal obligations are fulfilled.

Specialized information technology services are purchased to ensure the critical pension administration system, retirement management and payroll systems, disability systems and backbone network systems are securely maintained.

Valuation

The Commission has historically reviewed the valuation assumptions biennially and does so in consultation with the actuary. The 2013 valuation discount rate assumption was updated to reflect the Saskatchewan provincial bond yield curve as at June 30, 2013 to match the timing and amount of future expected benefit payments as well as the expected rate of return on assets of 4.85%. This single discount rate for valuation purposes was 3.5% per annum and was determined as a blend between the funded and unfunded portions of the Plan. The financial statements at June 30, 2014 are based on an extrapolation of the June 30, 2013 valuation results and the comparative figures are based on an extrapolation of the June 30, 2011 valuation. The total deficit as at June 30, 2014 is $5.32 billion.

The legal obligation to pay pensions to the teachers of Saskatchewan in accordance with the provisions of *The Teachers Superannuation and Disability Benefits Act* rests with the government of Saskatchewan.

Investments

The segregated funds of the Teachers' Superannuation Fund assets and all of the Voluntary Contributions Fund (together known as the Teachers' Superannuation Plan or the "Plan") are held in trust by State Street Trust Company, custodian of the investments on behalf of the Plan. Custodial fees of $50,100 (2013 – $59,386) and $34,144 (2013 – $147,288) for brokerage fees were paid to State Street Trust Company for 2014. Greystone Managed Investments Inc. is responsible for investing the funds. Investment fees paid to Greystone Managed Investments Inc. for 2014 were $817,458 (2013 – $901,959). Investment management fees for private equity paid to GE Asset Management for 2014 were $2,119,270 (2013 – $1,445,462). State Street Trust Company is also the custodian for the pooled fund investments on behalf of Greystone Managed Investments Inc. and its sub-advisors.

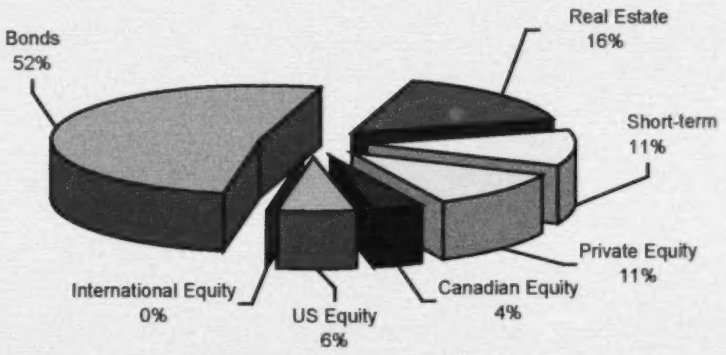
The TSC with the assistance of the investment manager, investment consultant, and actuarial consultant develop investment policies, strategies and objectives for each fund of the Plan. The Investment Policy & Objectives Statement (IP&OS) details the asset mix guidelines, and a benchmark portfolio against which the performance of the investment managers is measured. Individual asset class performance is also measured against their relevant, respective indices. The current IP&OS is posted on the website.

In meeting with its investment consultant, the Commission reviews its IP&OS annually. A key aspect of risk is managed through adequate portfolio diversification. Working in conjunction with the asset manager, investment consultants and actuary, the desired risk-adjusted return is established.

IP&OS asset mix guidelines for the TSF as at June 30, 2014

	Minimum %	Maximum %
Canadian Equities, Large Cap	2.5	12.5
Canadian Equities, Small Cap	1	5
Total Canadian Equities	***3.5***	***17.5***
U.S. Equities, Large Cap (Unhedged)	2.5	10
International Equities, Public and Private (Unhedged)	2.5	10
Total Foreign Equities	***5***	***20***
Total Equities	***10***	***35***
Nominal Bonds	45	65
Short Term	5	20
Total Fixed Income	***50***	***85***
Real Estate	7	20

TSF portfolio asset mix at June 30, 2014



TSF Rates of Return – Periods to June 30, 2014						
	1 Year		4 Years		10 Years	
Asset class	Return	Bench mark	Return	Bench mark	Return	Bench mark
	%	%	%	%	%	%
Canadian Equity	25.2	28.7	11.8	10.8	10.4	8.5
U.S. Equity	25.4	25.8	19.3	20.0	5.7	5.4
Private Equity	15.2	24.8	12.0	13.3	n/a	n/a
International Equity	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Bonds	5.3	5.3	5.0	4.8	5.9	5.5
Real Estate	9.1	n/a	12.0	n/a	13.6	n/a
Total Fund	9.2	12.0	7.9	8.8	6.8	6.5

[1] *The portfolio was divested of all International Equities in 2012-13.*

To reflect the declining asset base, the Commission adopted a de-risking investment strategy effective July 1, 2012. The TSF's asset mix will experience a gradual reduction in return seeking, risky assets until 2018. Beginning in 2019, the allocation to return seeking assets will be increased gradually until 2025. The re-risking phase acknowledges the reduced asset base and the lower impact higher risk assets will have on overall TSF market values after 2018.

Pension Administration Systems

The pension administration software is crucial for the tracking of service, contributions, refunds, purchases, crediting of interest to teacher accounts and pension estimates.

During the year, upgrades to the administration software took place to ensure the underlying operating systems are actively supported by the various providers, and to ensure the IT systems in place remain functional in the current IT environment. Risk related to data and system conversion are appropriately planned and managed to ensure data and system integrity.

The Commission contracts with two long-term outside information technology providers, ESTI Consulting Services and James Evans Associates (JEA) Limited. These two service providers possess the current and specific competencies needed to manage the risks effectively.

Risk Management

As part of governance processes, the Commission adopted a risk assessment and management plan whereby key risks are identified, along with identification of how risks will be managed and who is responsible. The outcome of this approach is to provide cost-effective management of risk and to create opportunities to add value. The following are potential risks that could adversely affect the operation of the Plan:

- Risk of loss associated with non-compliance with laws, rules, regulations, prescribed practices or ethical standards within jurisdiction of operation
- Risks arising from inability to implement appropriate business plans, strategies, decision-making, resource allocation and inability to adapt to changes in the business environment
- Risk of direct or indirect loss resulting from the inadequate or failed internal processes, people, system or from external events
- Risk associated with direct or indirect loss resulting from market events and investment related profiles

The Commission reviews and updates its risk assessment and management plan on an annual basis.

Communication

Timely and transparent communications are an essential element of good pension governance. The Commission strives to achieve effective communication with its teacher members.

Federal and Provincial legislation in the area of privacy along with the implementation of the Privacy Framework within the Province will not only serve to protect the interests of teachers but mitigate the related risks and concerns. This privacy legislation is impacting communication not only in relation to what type of information is communicated from the pension plan, but also in assessing what the Commission collects directly from members.

In addition to this annual report and the annual statements to members, the TSC website and email have become increasingly important as the preferred tools of communication and information exchange. The website provides considerable information:

- Downloadable forms for Dental, Group Life Insurance, Disability, Reciprocal Transfers, and personal information change forms
- Information, including Frequently Asked Questions on Dental, Pension, Disability and Group Life Insurance
- Various legislative Acts and Regulations administered by the Commission
- Policies and responsibilities adhered to by the Commission
- Recent annual reports, superannuate and annual statement letters
- Contact information
- Dispute Resolution Process
- Governance manual
- Communication Plan
- Strategic Plan
- Investment Policy & Objective Statement

More on-line at www.stsc.gov.sk.ca

Teachers' Superannuation Plan

The Teachers' Superannuation Plan was inaugurated on July 1, 1930 and became a closed plan in 1980. The Teachers' Annuity Plan was established for new teachers who had not previously taught in Saskatchewan and certain teachers who chose to transfer from the old formula plan. Through provincial negotiations, the Annuity Plan later became the Saskatchewan Teachers' Retirement Plan (STRP) administered by the Saskatchewan Teachers' Federation.

Highlights

As at June 30	2014	2013
Active Members	556	748
Inactive Members	4,021	4,103
Pensioners/Survivors	11,389	11,357
Disability Recipients	94	124
July 1 Retirements	99	140
Total Members	16,159	16,472

From July 1, 2013 to June 30, 2014 a total of 257 (2013 – 236) new allowances were granted.

On January 1, 2014 a Cost of Living Allowance increase of 0.7% (2013 – 1.4%) was applied to pension allowances and disability benefits.

Investment earnings of 10.27% (2013 – 9.57%) were credited to teachers in the Teachers' Superannuation Fund. These earnings include only 25% of the current period change in fair values of investments and 25% of each of the previous 3 years' change in fair values (including both realized and unrealized gains and losses) in accordance with the policy established for administrative purposes by the Commission.

The Teachers' Superannuation Commission administers a Voluntary Contributions Fund, which allows active teachers to make additional tax-deductible contributions that are invested separately from the mandatory superannuation contributions.

The investment earnings of 13.71% (2013 – (5.97%)) were credited to the Voluntary Contributions Fund. There are 86 members (2013 – 93) with contributions in the Voluntary Contributions Fund.

Teachers' Group Life Insurance Plan

The Teachers' Superannuation Commission administers the Teachers' Group Life Insurance Plan for active and superannuated teachers. An annual report for activities of the group life insurance plan will be tabled under separate cover for 2013-14.

Teachers' Disability Benefits Plan

Disability benefits are available when a teacher is physically or mentally incapacitated and unable to teach. All payments are a charge on and payable from the General Revenue Fund of the Province of Saskatchewan, pursuant to Section 38(2) of *The Teachers Superannuation and Disability Benefits Act.*

Eligibility

Teachers who participate in The Teachers' Superannuation Plan are eligible for benefits from this Plan. The Plan provides benefits based on a formula incorporating years of service and average earnings. To be eligible, a teacher must have 10 years of eligibility service of which three years are in the five years immediately preceding the disability date, be under the age of 65 and the disability continues beyond 60 days. The disability payment commences when the sick leave benefits from a school board cease.

Medical evidence is required from two physicians verifying the disability. Ongoing eligibility for benefits is confirmed by periodic medical reviews.

Teachers who are partially disabled and teaching on a part-time basis are entitled to benefits in proportion to the non-teaching time.

A teacher's disability benefit ceases on the earliest of:

(a) The commencement of a pension allowance;
(b) The attainment of age 65 by the teacher; and
(c) The death of the teacher.

At June 30, 2014, 94 teachers (2013 – 124) were in receipt of disability benefits from the Plan. Teachers are also encouraged to apply for disability benefits from the Canada Pension Plan. If benefits are not payable from the Canada Pension Plan, the amount payable by the Teachers' Disability Benefits Plan are increased accordingly.

Highlights

As at June 30	2014	2013
New Applications	8	10
Medical reviews	76	124
Return to teaching	2	8
Commenced Superannuation Allowance	33	37
Deceased	0	0

At each meeting, the Commission receives new disability applications, grants benefits to the teachers who meet the eligibility requirements and sets dates for follow-up medical reviews. Administration reviews subsequent medical reports for teachers already approved for benefits and submits a report to the Commission for approval of continued benefits. During the year, the Plan paid disability benefits of $2.1 million (2013 – $2.7 million).

Valuation

The most recent valuation was performed at June 30, 2013 and extrapolated to June 30, 2014. The total unfunded liability as at June 30, 2014 is $4.5 million.

Teachers' Dental Plan

The Teachers' Dental Plan was implemented effective January 1, 1986 for Saskatchewan teachers and is a collectively bargained benefit. In accordance with *The Teachers' Dental Plan Act*, the Minister of Finance, on behalf of the Government of Saskatchewan, is responsible for all the costs associated with the dental plan. The Teachers' Dental Plan is a benefit provided to all eligible teachers and their families for dental care promoting health and wellness. The intent of the plan is to promote good dental health by reducing costs for preventative, routine and major restorative dental work. Teachers with regular or temporary contracts are eligible for dental coverage as well as their spouse and dependants. Dependents 21 years of age to the age of 26 continue to be eligible for coverage provided they are in full-time attendance at an educational institution. Teachers receiving disability benefits under the STF Income Continuance Plan and/or the Teachers' Disability Benefits Plan are covered under the Plan.

Dental Coverage

The Plan provides Saskatchewan teachers and their dependants with coverage for Preventive, Routine and Major Restorative dental services. It also provides orthodontic services for members.

Level I – Preventive Services – 100% of the eligible charge.
Level II – Basic and Routine Services – 85% of the eligible charge.
Level III – Major Restorative Services – 60% of the eligible charge.
Level IV – Orthodontic Services – 50% of the eligible charge to the maximum of $2,000 per person.

Insurance Carrier

The Government of Saskatchewan and the STF mutually agree upon the insurance carrier to provide administrative services. The dental plan is administered by Sun Life Assurance Company of Canada on an Administrative Services Only (ASO) basis under Group Policy # 25273. Teachers can electronically submit or mail claims directly to Sun Life for processing. Dental forms can be downloaded from the internet on the website www.stsc.gov.sk.ca/forms/. Sun Life can be contacted at their toll free number 1-800-361-6212 or online at www.sunlife.ca.

Highlights

For the year ending December 31, 2013, Sun Life processed 46,893 (2012 – 43,898) dental claims.

For the year ending December 31, 2013, the government paid $11,147,012 (2012 – $10,766,202) in dental benefits and administrative costs.

Dental claim forms and additional information on the dental plan regarding costs, benefits after termination, pre-treatment estimates, coordination of benefits, maximum reimbursement levels, dependent coverage, how to make a claim, fee changes, etc., are available on-line at www.stsc.gov.sk.ca/dental/.

Teachers' Superannuation Commission
Management Report, 2014

The management of the Teachers' Superannuation Commission is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. In Canada, it is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived there from.

The pension obligations and actuarial value of net assets available for benefit are determined by an actuarial valuation and extrapolation. Actuarial valuation and extrapolation reports require best judgment in order that the financial statements reflect fairly the financial position of the Plan. The actuary's opinion for the Teachers' Superannuation Plan for the June 30, 2013 valuation and the extrapolation of the valuation results to June 30, 2014 appear on page 25.

The financial statements have been audited by the Provincial Auditor of Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on page 26.

The financial statements have been examined and approved by the Commission.

Doug Volk, BA, PPAC
Executive Director

Sharlene Arklie, FCGA
Senior Manager, Financial Operations

Regina, Saskatchewan
October 15, 2014

Actuary's Opinion

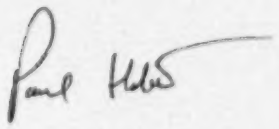
Aon Hewitt was retained by the Saskatchewan Teachers' Superannuation Commission (the "Commission") to perform an actuarial valuation of the assets and liabilities of the Saskatchewan Teachers' Superannuation Plan (the "Plan") as at June 30, 2013. Aon Hewitt was further retained to prepare an extrapolation of the valuation results to June 30, 2014 for inclusion in the Annual Report with respect to *The Teachers Superannuation and Disability Benefits Act* for the Year Ended June 30, 2014.

The valuation and extrapolation of the Plan's actuarial assets and liabilities were based on:

- Membership data provided by the Commission as at June 30, 2013;
- Financial Statements as at June 30, 2014 provided by the Commission;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Hewitt and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while, in my opinion, these assumptions are reasonable when considering the purposes of the valuation and extrapolation, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations and will affect the financial position of the Plan.

I have tested the data for reasonableness and consistency with prior valuations and, in my opinion, the data is sufficient and reliable for the purposes of the valuation and the extrapolation. In my opinion, the methods and assumptions used in the valuation and extrapolation are appropriate when considering the purposes of the valuation and extrapolation. My opinions have been given, and the valuation and extrapolation have been performed, in accordance with accepted actuarial practice in Canada.



Paul Hebert
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

October 15, 2014

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Teachers' Superannuation Plan, which comprise the statement of financial position as at June 30, 2014, and the statement of changes in net assets available for benefits, and statement of changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Teachers' Superannuation Plan as at June 30, 2014, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Judy Ferguson

Regina, Saskatchewan
October 15, 2014

Judy Ferguson, FCA
Acting Provincial Auditor

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Teachers' Superannuation Plan
Statement of Financial Position

Statement 1

As at June 30
(in thousands of dollars)

	2014			2013		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
ASSETS						
Cash	$ 131	$ -	$ 131	$ 3,029	$ -	$ 3,029
Due from General Revenue Fund (Note 3)	101	26	127	560	32	592
Accrued investment income	1,545	-	1,545	2,137	-	2,137
Investments (Note 4):						
Bonds and debentures	263,036	-	263,036	292,514	-	292,514
Pooled Funds	94,817	3,578	98,395	93,892	3,343	97,235
Equities	35,674	-	35,674	43,184	-	43,184
Real estate	-	-	-	1	-	1
Private equity	55,908	-	55,908	68,160	-	68,160
Short – term	54,434	-	54,434	67,217	-	67,217
	505,646	3,604	509,250	570,694	3,375	574,069
Contributions receivable:						
Teachers	389	-	389	934	-	934
General Revenue Fund	36,851	-	36,851	73,281	-	73,281
	37,240	-	37,240	74,215	-	74,215
Prepaid Investment Fees	-	-	-	49	-	49
Total assets	$ 542,886	$ 3,604	$ 546,490	$ 644,958	$ 3,375	$ 648,333
LIABILITIES						
Accounts payable	$ 169	$ 1	$ 170	$ 490	$ -	$ 490
Total liabilities	169	1	170	490	-	490
NET ASSETS AVAILABLE FOR BENEFITS	542,717	3,603	546,320	644,468	3,375	647,843
Pension obligation (Statement 3)	5,858,239	3,603	5,861,842	5,895,615	3,375	5,898,990
Deficit	$ 5,315,522	$ -	$ 5,315,522	$ 5,251,147	$ -	$ 5,251,147

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan — Statement 2
Statement of Changes in Net Assets Available for Benefits

Year Ended June 30

(in thousands of dollars)

	2014			2013		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
INCREASE IN ASSETS:						
Investment Income:						
Interest	$ 10,071	$ -	$ 10,071	$ 9,969	$ -	$ 9,969
Dividends	4,088	-	4,088	4,872	-	4,872
Pooled Fund Distributions	1,025	105	1,130	1,928	104	2,032
Total investment income	15,184	105	15,289	16,769	104	16,873
Increase (decrease) in fair value of investments	$ 33,368	$ 334	$ 33,702	$ 22,563	$ 92	$ 22,655
Contributions:						
General Revenue Fund other contributions	189,735	-	189,735	213,187	-	213,187
Teachers	2,639	9	2,648	4,061	16	4,077
General Revenue Fund matching contributions	2,635	-	2,635	4,057	-	4,057
Other transfers and contributions	567	-	567	1,719	-	1,719
Total contributions	195,576	9	195,585	223,024	16	223,040
Total increase (decrease) in assets	$ 244,128	$ 448	$ 244,576	$ 262,356	$ 212	$ 262,568
DECREASE IN ASSETS:						
Allowances to superannuates	$ 339,584	$ -	$ 339,584	$ 336,399	$ -	$ 336,399
Refunds and transfers	2,900	215	3,115	5,338	294	5,632
Investment expenses (Note 7)	3,021	5	3,026	2,554	5	2,559
Marriage breakdown payments	374	-	374	238	-	238
Total decrease in assets	$ 345,879	$ 220	$ 346,099	$ 344,529	$ 299	$ 344,828
(Decrease) increase in net assets	(101,751)	228	(101,523)	(82,173)	(87)	(82,260)
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	644,468	3,375	647,843	726,641	3,462	730,103
NET ASSETS AVAILABLE FOR BENEFITS, end of year	$ 542,717	$ 3,603	$ 546,320	$ 644,468	$ 3,375	$ 647,843

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Statement of Changes in Pension Obligations

Statement 3

Year Ended June 30

(in thousands of dollars)

	2014			2013		
	Superannuation Fund (Note 8)	Voluntary Contributions Fund	Total	Superannuation Fund (Note 8)	Voluntary Contributions Fund	Total
PENSION OBLIGATIONS, beginning of year	$ 5,895,615	$ 3,375	$ 5,898,990	$ 5,898,236	$ 3,462	$ 5,901,698
INCREASE IN PENSION OBLIGATIONS:						
Interest accrued on obligations	201,355	-	201,355	198,012	-	198,012
Obligations accrued	16,206	448	16,654	24,468	212	24,680
Impact of assumption changes	67,223	-	67,223	116,874	-	116,874
Impact of plan experience	20,699	-	20,699	-	-	-
	305,483	448	305,931	339,354	212	339,566
DECREASE IN PENSION OBLIGATIONS:						
Obligations paid	342,859	220	343,079	341,975	299	342,274
PENSION OBLIGATIONS, end of year	$ 5,858,239	$ 3,603	$ 5,861,842	$ 5,895,615	$ 3,375	$ 5,898,990

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Notes to the Financial Statements

June 30, 2014

1. Status of the Commission

The Saskatchewan Teachers' Superannuation Commission administers a pension plan, the Teachers' Superannuation Plan, consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund (hereafter collectively referred to as the Plan). The Teachers' Superannuation Fund is used to account for the net assets accumulated for the defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of the Plan

The plan is a registered pension plan as defined by *The Income Tax Act (Canada)* and accordingly, is not subject to income taxes. Allowances and refunds are subject to withholding taxes that are remitted to the Canada Revenue Agency. The following description is a summary only. For more complete information, reference should be made to *The Teachers Superannuation and Disability Benefits Act* (the Act).

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The Government's General Revenue Fund (GRF) pays into the Teachers' Superannuation Fund an amount equal to the amount contributed by members. Also, the GRF pays into the Teachers' Superannuation Fund other contributions pursuant to section 9(4) of the Act. Section 9(4) of the Act requires the GRF to pay yearly an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year.

b) Age and Service Allowance

The annual amount of pension is determined as follows:

- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 5 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is neither a spouse nor dependent children, the nominee or estate receives a lump sum payment of the difference, if any, between the teacher's contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Teachers' Superannuation Commission administers the Voluntary Contributions Fund. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in the *Income Tax Act (Canada)*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund less investment expenses. The Voluntary Contributions Fund amount is reduced by amounts paid out at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

2. Significant Accounting Policies

The following accounting policies are considered significant:

a) Basis of Presentation

The financial statements for the year ended June 30, 2014 have been prepared in accordance with Canadian accounting standards for pension plans as defined in the CPA Canada Handbook Section 4600, *Pension Plans*. For matters not addressed in Section 4600, *Pension Plans*, Canadian Accounting Standards for Private Enterprises (ASPE) have been followed. These financial statements were authorized and issued by the Board on October 15, 2014.

b) Investments

Investments in bonds and equities are recorded at fair value which are determined by reference to closing year end bid prices from recognized security dealers. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investment transactions and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in fair value of investments.

Pooled funds are recorded based on the net asset value per unit of the underlying investments determined using closing bid prices as at June 30, 2014. Short-term investments are recorded at fair value. Real estate and private equity are recorded at fair value as estimated by independent appraisals. The fair value of the investments approximates the market value.

c) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and the recorded amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of investments and accrued pension benefits. Actual results could differ from these estimates.

d) Changes in Accounting Policies

Canadian accounting standards for pension plans includes reference to the guidance found in International Financial Reporting Standards (IFRS). IFRS 13, issued in May 2011, redefines fair value to emphasize that it is a market-based measurement, not an entity-specific measurement. It also provides a single framework for measuring fair value and applies, with limited exceptions, when another standard permits or requires fair value measurement. In addition, IFRS 13 requires specific disclosures about fair value measurement. The standard is effective for annual periods beginning on or after January 1, 2013.

The Plan has adopted the new standards, along with any consequential amendments, effective January 1, 2013. The adoption of these changes enhanced the fair market value disclosures mainly within the Level 3 hierarchy in Note 4 and had no financial impact on the financial statements as a whole.

e) Future Accounting Pronouncements

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended June 30, 2014 and have not been applied in preparing these financial statements. In particular, IFRS 9, Financial Instruments, for which the effective date of adoption, has not been determined. The extent of the impact of adoption of this standard is not known at this time.

3. Due From General Revenue Fund

The Plan's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the GRF.

The Funds' share of this interest is allocated and paid by the GRF on a quarterly basis into the Funds' bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate in 2014 was 0.99% (2013 – 1.09%).

4. Investments

Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The Commission's strategy is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian, foreign and private equities, pooled funds, money market securities, bonds and real estate pooled funds.

Teachers' Superannuation Fund

The Act and the Plan's investment policy require that all the Fund's investments comply with the provisions of *The Pension Benefits Act, 1992*, which does not allow any one holding to represent more than 10% of the cost at the time of acquisition of the Fund's portfolio.

During 2011-12, the Commission engaged its Investment Consultant to conduct a de-risking optimization study of the asset mix for the Teachers' Superannuation Fund. In March 2012, the Commission amended their investment policy to reflect the de-risking investment strategy. The transition to this new investment strategy was effective July 1, 2012 and the effect of this change has been reflected in the future projections used in the actuarial valuation at June 30, 2013 and the extrapolation at June 30, 2014 in Note 8.

Short-term Investments

These investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 0.89% to 1.41% (2013 – 0.97% to 1.22%) and a weighted average term to maturity of 117 days (2013 – 79 days). Interest is receivable at maturity.

Bonds and Debentures

The Plan's investment policy limits, for this Fund, its investment concentration in any one investee or related group to no more than 10% of that corporation's cost of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service.

For the Teachers' Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described below:

		2014			2013		
	Years to Maturity	Fair Value ($000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Fair Value ($000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
Federal Bonds							
Government of Canada	1-5	$ 50,515	1.19	1.44	$ 21,837	1.76	1.53
	6-20	1	2.24	2.50	43,197	2.23	2.32
	20+	16,113	3.11	4.17	14,807	3.17	4.54
Provincial & Provincially	1-5	-	-	-	6,059	0.19	1.60
Guaranteed Bonds	6-10	32,253	2.59	3.33	28,998	2.99	4.80
Other Provinces	11-15	6,864	3.17	4.84	5,180	3.52	4.42
	16-20	20,000	3.57	6.03	21,383	3.86	6.23
	20+	16,266	3.76	4.53	17,435	4.01	4.70
Saskatchewan	1-10	-	-	-	-	-	-
	11-20	3,679	3.41	6.40	4,289	3.68	6.40
	20+	2,444	3.56	3.40	2,485	3.76	4.02
Municipal	1-5	7,573	1.76	4.82	5,445	2.39	4.71
	6-10	-	-	-	3,407	2.62	5.10
Corporate Bonds	<1	-	-	-	2,708	1.71	5.25
	1-5	61,459	1.76	2.93	76,090	1.98	3.28
	6-10	29,503	2.84	3.83	20,153	3.07	4.67
	11-15	926	3.70	8.29	899	4.28	8.29
	16-20	-	-	-	1,379	4.58	6.67
	20+	15,440	3.55	5.55	16,763	4.14	5.53
		$ 236,036			$ 292,514		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

		2014	2013
		($000's)	
Common Shares			
	Canadian	$ 5,751	$ 8,575
	Foreign	29,923	34,609
		35,674	43,184
Private Equity		55,908	68,160
Total Equities		$ 91,582	$ 111,344

The Plan's investment policy limits this Fund from any holding to represent no more than 10% of the outstanding shares of the issuing corporation. The investment policy allows up to 30% of the Fund to be invested in foreign equities, including those held in pooled funds. At June 30, 2014, the Plan held 5.94% (2013 – 6.13%) in foreign equities and 0% (2013 – 0%) in pooled foreign equity funds.

Foreign equities and pooled funds are denominated in Canadian dollars. The Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the year was 4.9% (2013 – 4.0%).

Pooled Funds

The Plan holds units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the fund manager. The Plan unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2014	2013	2014	2013	2014	2013	2014	2013
	(000's)				($000's)		($000's)	
Greystone EAFE Growth Fund	-	-	-	-	$ -	$ -	$ -	$ 4,151
Greystone US Strategic Growth Fund	-	-	-	-	-	-	-	(87)
Greystone US Strategic Value Fund	-	-	-	-	-	-	-	(301)
Greystone Canadian Small Cap Fund	1,098	2,042	4.54	7.6	16,181	21,812	8,138	3,030
Greystone Real Estate Fund	749	749	1.64	1.72	78,636	72,080	6,557	7,481
					$ 94,817	$ 93,892	$ 14,695	$ 14,274

The Greystone EAFE Growth Fund may use derivative financial instruments such as equity index future contracts for managing its equity portfolio and forward contracts for cash management. Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices. Derivative transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at fair value using market prices. Where market prices are not readily available, other valuation techniques are used to determine fair value.

Real Estate

Investments in real estate consist of interests in Canadian property as well as unit holdings within a real estate pooled fund.

Private Equity

The Plan committed US$36 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund, L.P. representing US$437 million in total partnership commitments. One pension trust represents 50% of committed and invested funds with the fifteen Limited Partners representing the remaining 50%. The purpose of the Partnership is to invest in primarily private placement investments and through such investments provide its partners with current income and long-term capital gains. The private placements would be those of companies located and doing a substantial portion of their business outside of the United States. The Teachers' Superannuation Fund has 8.2% (2013 – 8.2%) of the committed and 7.2% (2013 – 8.0%) of the invested funds. As of June 30, 2014, the total value of the GEAM International Private Equity Fund, L.P. was $102 million US (2013 – $309 million US) and the Plan's share was $7.7 million CDN (2013 – $25.9 million CDN).

Effective September 30, 2008, the Plan committed an additional US $37.5 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund II, LP. The Teachers' Superannuation Fund has 11.0% (2013 – 11.0%) of the committed and 11.0% (2013 – 11.0%) of the invested funds. As of June 30, 2014, the total value of the GEAM International Private Equity Fund II, L.P. was $90.0 million US (2013 – $52.6 million US) and the Plan's share was $10.2 million CDN (2013 – $6.5 million CDN).

Determination of Fair Value

The determination of fair value for both the Teachers' Superannuation Fund and the Voluntary Contributions Fund is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted market prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.
The following table classifies the Plan's financial instruments within a fair value hierarchy:

Teachers' Superannuation Fund ($000's)

	Level 1		Level 2		Level 3		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Bonds and debentures	$ -	$ -	$ 263,036	$ 292,514	$ -	$ -	$ 263,036	$ 292,514
Pooled funds	-	-	16,181	21,812	78,636	72,080	94,817	93,892
Equities	35,674	43,184	-	-	-	-	35,674	43,184
Real estate	-	-	-	-	-	1	-	1
Private equity	-	-	-	-	55,908	68,160	55,908	68,160
Short - term	54,434	67,217	-	-	-	-	54,434	67,217
Total	$ 90,108	$ 110,401	$ 279,217	$ 314,326	$ 134,544	$ 140,241	$ 503,869	$ 564,968

Fair value measurements using level 3 inputs:

Teachers' Superannuation Fund ($000's)

	Real Estate		Real Estate Pooled		Greystone Private Equity		GE Private Equity		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Balance at July 1	$ 1	$ 1	$ 72,080	$ 64,599	$ 35,738	$ 36,441	$ 32,422	$ 34,536	$ 140,241	$ 135,577
Purchases	-	-	-	-	-	-	5,168	5,251	5,168	5,251
Sales	-	-	-	-	-	-	(9,622)	(7,632)	(9,622)	(7,632)
Net transfers in (out)	-	-	-	-	-	-	-	-	-	-
Gains (Losses):										
Realized	(1)	-	-	-	-	-	11,000	1,879	10,999	1,879
Unrealized	-	-	6,556	7,481	2,242	(703)	(21,040)	(1,612)	(12,242)	5,166
Balance at June 30	$ -	$ 1	$ 78,636	$ 72,080	$ 37,980	$ 35,738	$ 17,928	$ 32,422	$ 134,544	$ 140,241

Realized and unrealized gains and losses appear in the Increase (decrease) in fair value of investments on the Statement of Changes in Net Assets Available for Benefits.

At June 30, 2014, the following techniques were used to determine the fair value of the investments categorized in level 3:

i. Real Estate Pooled Funds

For the Greystone Real Estate Pooled Funds, the Pool Fund Manager uses an independent arm's length appraisal process for each property held within the pooled fund to establish the fair market value of the real estate investments on a semi-annual basis for each property in the Pooled Fund.

The fund is audited by an independent accounting firm on an annual basis which includes a review of the valuation process as well as the appropriateness of the values contained within the financial statements of the Real Estate Pooled Fund to ensure compliance with all standards set by the CPA Canada Handbook and all Canadian pension legislation that may apply to the Fund or its shareholders. Changes in the underlying assumptions would have an immaterial impact on the market value of the investments.

ii. Greystone Private Equity

The Plan's private equity investment in Greystone Managed Investments consists of 223,811 shares. The fair market value of the shares is derived by using an income valuation approach whereby an adjusted operating EBITDA is multiplied by an income multiple and adjusted for working capital cash positions. Changes in the underlying assumptions will have an immaterial impact on the market value of the investments.

iii. GE Private Equity

The Plan's private equity investment in GE Private Equity Fund I and Fund II are held through limited partnerships within the corresponding funds. The investments are valued using the net asset valuation technique by the General Partner, using the best information available, including quoted market prices or market prices for similar assets when available or internal cash flow estimates discounted at an appropriate interest rate or independent appraisals as appropriate. Changes in the underlying assumptions will have an immaterial impact on the market value of the investments.

The Voluntary Contributions Fund holds pooled funds which are classified as level 2 and are described below.

Voluntary Contributions Fund

Pooled Funds

The Plan holds for the Voluntary Contributions Fund units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the manager.

The Voluntary Contributions Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2014	2013	2014	2013	2014	2013	2014	2013
	(000's)				($000's)		($000's)	
Greystone EAFE Growth Fund	19	18	0.02	0.02	$ 209	$ 174	$ 34	$ 35
Greystone Canadian Fixed Income Fund	148	143	0.19	0.19	1,594	1,513	84	6
Greystone Canadian Equity Fund	41	47	0.09	0.06	1,145	1,059	269	112
Greystone US Equity Fund	13	13	0.12	0.10	212	184	48	38
Greystone Money Market Fund	42	41	0.13	0.14	418	413	4	5
					$ 3,578	$ 3,343	$ 439	$ 196

5. Teachers' Superannuation Fund - Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. The Commission has determined that only 25% of the current period change in fair values of investments (includes both realized and unrealized gains and losses) will be recognized as part of investment earnings. The remaining 75% will be recognized equally over the following three years as part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year. The investment earnings rate was 10.27% (2013 – 9.57%) for the year.

6. Voluntary Contributions Fund - Earnings Allocation to Members

The Commission allocates all realized and unrealized gains/losses at year-end. During the year, the Commission allocated investment gains less investment expenses of $434,826 to teachers' accounts and for 2013 allocated investment gains less investment expenses of $191,380.

7. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Plan is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with the Act, all expenses of the administration are paid out of monies appropriated for the Ministry of Education by the Legislature. Accordingly, no provision for these costs is included in the financial statements.

Expenses related to managing, investing or disposing of assets of the Plan are paid directly by each fund. The annual expenses for custodial, brokerage and investment management fees appear below.

	2014			2013		
	Superannuation Fund ($ 000's)	Voluntary Contributions Fund ($ 000's)	Total ($ 000's)	Superannuation Fund ($ 000's)	Voluntary Contributions Fund ($ 000's)	Total ($ 000's)
Custodial fees	$ 50	$ 1	$ 51	$ 60	$ 2	$ 62
Brokerage fees	34	-	34	147	-	147
Investment and asset management fees	2,937	4	2,941	2,347	3	2,350
	$ 3,021	$ 5	$ 3,026	$ 2,554	$ 5	$ 2,559

b) Investment Management Services

Greystone Managed Investments Inc. (GMI) provides investment management services to the Teachers' Superannuation Fund and the Voluntary Contributions Fund on a fee-for-service basis. The Teachers' Superannuation Fund is a shareholder in GMI. The Teachers' Superannuation Fund holds 223,811 common shares (2013 – 223,811 common shares) representing 14.31% of the total shares outstanding in GMI (2013 – 14.33%).

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of $6,122,837 (2013 – $6,773,854) and interest expense (income) including change in fair value of $492,243 (2013 – $194,819).

8. Actuarial Valuation - Pension Benefits

a) Accrued Pension Benefit Obligation

The present value of accrued pension benefits was determined using the projected benefit method prorated on services and the best estimate assumptions of the Teachers' Superannuation Commission. Actuarial valuations are performed every two years. Extrapolations are made every year using the last valuation available since the valuation results are not available until approximately six months following the year end. Aon Consulting prepared an actuarial valuation of the Teachers' Superannuation Fund as at June 30, 2013 and June 30, 2011 with an extrapolation made to June 30, 2014 and June 30, 2013 respectively.

The pension liability is based on a number of assumptions about future events including discount rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

In 2013, the discount rate methodology was changed to better reflect the Saskatchewan provincial bond yield curve to match the timing and amount of future expected benefit payments as well as the expected rate of return on assets assumption to 5% per annum up to 2030. The single discount rate was determined as a blend between the funded and unfunded portions of the Plan.

In 2013, the mortality rate assumption was changed in anticipation of the upcoming release of Canadian specific pensioner mortality tables by the Canadian Institute of Actuaries (CIA). The UP2000BB Generational mortality table represents an intermediate table between the previous UP94 Generational table and the soon

to be released Canadian specific table. The UP2000BB was used to prepare the actuarial valuation at June 30, 2013 as well as the extrapolation at June 30, 2014.

In February 2014, the CIA released the Canadian Pensioner Mortality tables. The Commission is in the process of a study to determine an appropriate mortality table to adopt for future valuations and extrapolations, in accordance with CIA standards.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2014	2013
▪ salary increases	3.5% thereafter	3.5% thereafter
▪ discount rate	3.4% / year	3. 5% / year for next 7 years
▪ inflation	2.5%	2.5%
▪ mortality table	UP2000BB generational	UP2000BB generational

The following illustrates the effect of changing certain assumptions from the assumed rates. For the salary and interest rate categories, the changes in assumption are independent of one another. The inflation category, however, shows the impact of changing all assumptions that have an inflation component. In the scenario of the 1% change in inflation, the assumptions for the interest rate, salary increase, Year's Maximum Pensionable Earnings (YMPE) and Canada Revenue Agency pension maximum are also changed by 1%.

	Long-term assumptions					
Effect on Liability	**Salary**		**Discount rates**		**Inflation**	
	2.5%	4.5%	2.4%	4.4%	1.5%	3.5%
(Decrease) Increase ($000s)	$(3,884)	$3,998	$769,977	$(631,475)	$172,586	$(162,705)

Assumption changes arise when the assumptions change from the previous valuation/extrapolation to the current valuation/extrapolation. In the June 30, 2014 extrapolation, the changes in assumptions increased the accrued pension benefit by $67,223,000 which is primarily due to the change in the discount rate required due to the increase in the bond rate used in the bond yield curve.

Plan experience gains or losses result from the differences between actual and expected terminations, disabilities, retirements, salaries, yearly maximum pensionable earnings, interest credited and deaths that occur between valuations/extrapolations. In the June 30, 2014 extrapolation, these experience gains or losses increased the liability by $20,699,000 which is primarily made up of $15,354,000 indexation experience gains, $6,134,000 in termination gains and salary experience gains of $3,701,000, offset by $6,584,000 in retirement experience losses and $39,543,000 losses from mortality refinement.

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Commission. The Commission reviews the

investment performance of the Funds in terms of the performance of the benchmark portfolio over four-year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance, which assumes a full allocation of realized and unrealized gains and losses:

	2014 annual return%	Rolling four-year average annual return%
Teachers' Superannuation Fund [1]	9.2%	7.9%
Target rate of return [2]	12.0%	8.8%
Voluntary Contributions Fund[1]	13.5%	7.4%
Target rate of return [2]	14.9%	8.4%

[1] The annual returns are before deducting investment expenses

[2] The Commission's weighted target rate of return for its investment portfolio (return on the benchmark portfolio plus 10%) has been determined, after the fact, using the weighted actual returns of certain market indices such as S&P/TSX Capped Composite Index, S&P 500, MSCI EAFE, FTSE TMX Cda Universe Bond Index, Investment Property Databank and 91-Day T-Bills.

10. Financial Risk Management

The nature of the Plan's operations results in a statement of net assets available for benefits, accrued pension benefits and unfunded liability that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy, which is approved annually by the Commission. The investment policy provides guidelines to the Plan's investment managers for the asset mix of the portfolio regarding quality and quantity of fixed income, real estate and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. The Commission reviews regular compliance reports from both its investment managers and custodian as to their compliance with the investment policy.

a) Credit Risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from two distinct sources – accounts receivable and certain investments. The maximum credit risk to which it is exposed at June 30, 2014 is limited to the carrying value of the financial assets and is disclosed in the table below:

	2014 Carrying Value ($000's)	2013 Carrying Value ($000's)
Teachers' Superannuation Fund		
Cash	131	3,029
Contributions receivable	37,240	74,215
Fixed income investments	317,471	359,731
Due from General Revenue Fund	101	560
Voluntary Contributions Fund		
Due from General Revenue Fund	26	32

Fixed income investments include short-term investments and bonds and debentures. Accounts receivable are primarily made up of employee and employer contributions receivable and accrued investment income. Employee and employer contributions receivable are generally received in less than 30 days. Accrued investment income is received on the next scheduled payment date, generally annually or semi-annually. For both the Teachers' Superannuation Fund and the Voluntary Contributions Fund, credit risk within investments is primarily related to short-term investments and bonds and debentures. The Commission limits the credit risk by dealing with issuers that are considered to be high quality (minimum rating of BBB for bonds and debentures and R-1 for short-term investments) along with an investment policy that limits the maximum exposure with respect to any one issuer. The credit ratings used to describe the bonds and debentures appear below.

Teachers' Superannuation Fund

	2014		2013	
Credit Rating	Fair Values ($000's)	% Portfolio	Fair Values ($000's)	% Portfolio
AAA	$ 85,550	32.5	$ 100,887	34.5
AA	95,760	36.4	109,444	37.4
A	54,991	20.9	60,535	20.7
BBB	26,735	10.2	21,648	7.4
Total	$ 263,036	100.0	$ 292,514	100.0

With bonds and debentures, there are no holdings from one issuer, other than the Government of Canada or a Canadian province, over 4.90% of the market value of the combined bonds and debentures and short-term investment portfolios. No one holding of a province is over 7.94% of the market value of the investment portfolio.

b) Market Risk

The Commission invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market changes and fluctuations. The Commission manages market risk by investing in different domestic and foreign markets and through the establishment and review of asset mix ranges and limits for various investments. The Commission does not use derivative financial instruments to alter the effects of these market changes and fluctuations except through their use in pooled funds. Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates in its short-term investments and bonds and debentures. Interest rate risk is managed by investing in bonds and debentures with varying durations.

It is estimated that a 100 basis point change in interest rates would change net assets available for benefits and unfunded liability by $20.0 million at June 30, 2014; representing 6.3% of the $317.5 million of fixed income investments.

The Voluntary Contributions Fund is exposed to changes in interest rates in its money market and the fixed income pooled funds. It is estimated that a 100 basis point change in interest rates would change net assets available for benefits by $0.1 million at June 30, 2014; representing 6.3% of the $2.0 million of fixed income investments.

Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies results in a positive or negative effect on the fair value of investments. Exposure to both U.S. equities and non-North American equities is limited to a maximum 30% of the market value of the total investment portfolio. At June 30, 2014, the Plan's exposure to U.S. currencies was 9.5% (2013 – 11.9%).

At June 30, 2014, a 10% change in the Canadian Dollar versus the U.S. Dollar exchange rate would result in approximately a $4.8 million change in the net assets available for benefits and unfunded liability.

Equity Price Risk

The Teachers' Superannuation Fund is exposed to changes in equity prices in Canadian, U.S. and EAFE markets. Equities and equity pooled funds comprise 17.8% (2013 – 17.8%) of the market value of the Fund's total investments. The investment policy of the Teachers' Superannuation Fund limits the Plan's equity exposure to 35% of the Plan's total investments and any holding to represent no more than 10% of the outstanding shares of the issuing corporation with the exception of the Greystone shares. The policy also limits the Voluntary Contributions Fund's equity exposure to 60% of the Plan's total investments.

For the Voluntary Contributions Fund, equity pooled funds comprise 43.8% (2013 – 42.4%) of the market value of the Fund's total investments.

The following table indicates the approximate change that could be anticipated to both the increase in net assets available for benefits and unfunded liability based on changes in the Plan's benchmark indices at June 30, 2014:

	Change in thousands of $	
	10% increase	10% decrease
Teachers' Superannuation Fund		
S&P/TSX Composite Index	$ 5,991	$ (5,991)
S&P 500 Index	2,992	(2,992)
MSCI EAFE Index	-	-
Voluntary Contributions Fund		
S&P/TSX Composite Index	$ 114	$ (114)
S&P 500 Index	21	(21)
MSCI EAFE Index	21	(21)

Securities Collateral

At June 30, 2014, the Plan has not borrowed any securities, therefore no Plan assets have been deposited or pledged as collateral or margin. As part of the Plan's securities lending strategy, cash and non-cash collateral has been pledged as security to the Plan by various counterparties for securities out on loan to the counterparties. At June 30, 2014, cash collateral of $52.8 million (2013 – $11.7 million) and non-cash collateral of $12.9 million (2013 – $73.0 million) was pledged to the Plan.

For loans of Canadian fixed income securities and Canadian equities collateralized by cash, the cash collateral must have a market value of not less than 102% of the market value of the loaned securities. For loans of Canadian fixed income securities and Canadian equities collateralized by non-cash collateral, the collateral must have a market value of not less than 105% of the market value of the loaned securities.

The Voluntary Contributions Fund does not have a securities lending strategy.

Real Estate Risk

Risk in the real estate portfolio is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size. The real estate portfolio currently consists of $0 thousand (2013 – $1 thousand) in real estate and $78.6 million (2013 – $72.1 million) in real estate pooled funds.

The Voluntary Contributions Fund does not have real estate holdings.

c) Liquidity Risk

The Plan is exposed to liquidity risk through its responsibility to pay pensions on a timely basis. The contributions from the GRF as well as the majority of Plan investments provide sufficient liquidity to support the Plan's required cash flows without impacting its asset mix. Cash resources are managed on a daily basis based on anticipated cash flows. Accounts payable are due within one year.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The GRF contributions include matching contributions and additional amounts contributed pursuant to section 9(4) of the Act. The total cash outflow is the amount required to pay all pension obligations. The cash required is the amount by which the cash outflows exceed cash inflows and is forecasted to the year 2041. The cash required will be funded from the proceeds of disposals of investments for the period 2014 to 2031.

The forecast of cash inflows and outflows have been determined using the long-term assumptions used in the June 30, 2013 valuation. All amounts shown are based on actual dollar forecasts and appear below.

	Cash inflows				
	Teachers Contributions	GRF Contributions	Investment Income	Cash Outflows	Cash Required
	($ 000's)	($ 000's)	($ 000's)	($ 000's)	($ 000's)
2014-15	2,175	226,106	23,075	348,373	97,017
2015-16	1,673	256,674	19,075	348,991	71,569
2016-17	1,191	275,665	16,065	348,304	55,383
2017-18	827	285,323	13,642	346,611	46,819
2018-19	548	292,000	11,588	343,903	39,767
Total within 5 years	$ 6,414	$ 1,335,768	$ 83,445	$ 1,736,182	$ 310,555
Total 6 to 10 years	$ 756	$ 1,486,368	$ 35,822	$ 1,655,722	$ 132,776
Total 11 to 30 years	$ 0	$ 4,910,729	$ 13,697	$ 5,016,196	$ 91,770

12. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

- Cash
- Due from GRF
- Accrued investment income
- Teachers' contributions receivable and GRF contributions receivable
- Accounts Payable

For investments, fair values are considered to be market value, the calculation of which is described in Note 4. The actuarial accrued pension benefits are long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value of the actuarial accrued pension benefits is not practicable (see Note 8).

13. Capital Management

The Plan receives new capital from employee and employer contributions. The plan also benefits from income and market value increases on its invested capital. The Plan's capital is invested in a number of asset classes including equities, fixed-income and short-term investments. The Commission has delegated the operational investment decisions to a number of different investment management firms through a number of different investment mandates as defined in the Plan's Statement of Investment Policy and Objective Statement (IP&OS).

14. Comparative Figures

Certain prior year balances have been reclassified to conform with the current year's financial statement presentation.

Investment Schedules

SCHEDULE 1
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST AS AT JUNE 30 (UNAUDITED)

	2014		2013	
	Total Fair Value ($000's)	Accrued Interest ($000's)	Total Fair Value ($000's)	Accrued Interest ($000's)
Canada and Canada Guaranteed	$ 66,629	$ 85	$ 79,841	$ 306
Provincial and Provincially Guaranteed	81,506	365	85,829	536
Urban Municipalities And Hospitals	7,573	41	8,852	48
Corporate Debentures	107,328	971	117,992	1,110
Corporate Shares	35,674	80	43,184	136
Pooled Funds	94,817	-	93,892	-
Insured Mortgages - Principal and Real Estate	-	-	1	-
Short Term	54,434	3	67,217	1
Private Equity	55,908	-	68,160	-
Total	$ 503,869	$ 1,545	$ 564,968	$ 2,137

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
DEBENTURES:			
GOVERNMENT OF CANADA	Dec. 01, 2014	2.00	33,555,590
GOVERNMENT OF CANADA	Dec. 01, 2015	3.00	20,922,590
GOVERNMENT OF CANADA	Sep. 01, 2017	1.50	7,115,914
GOVERNMENT OF CANADA	Sep. 01, 2018	1.25	15,763,140
GOVERNMENT OF CANADA	Jun. 01, 2020	3.50	532,725
GOVERNMENT OF CANADA	Jun. 01, 2022	2.75	19,676,250
GOVERNMENT OF CANADA	Jun. 01, 2023	1.50	5,555,685
GOVERNMENT OF CANADA	Jun. 01, 2024	2.50	2,310,035
GOVERNMENT OF CANADA	Jun. 01, 2037	5.00	1,596,174
GOVERNMENT OF CANADA	Jun. 01, 2041	4.00	13,506,414
407 INTERNATIONAL INC	Nov. 24, 2017	3.87	416,560
407 INTERNATIONAL INC	Jun. 16, 2020	4.99	776,736
ALBERTA CAP FINANCE AUTHORITY	Dec. 15, 2025	4.45	326,460
ALTAGAS LTD	Jun. 12, 2023	3.57	380,100
BANK OF MONTREAL	Oct. 05, 2015	1.89	1,951,832
BANK OF MONTREAL	Sep. 13, 2018	3.21	7,162,200
BANK OF MONTREAL	Apr. 23, 2021	3.40	3,980,378
BANK OF NOVA SCOTIA	May 8, 2015	2.25	706,510
BANK OF NOVA SCOTIA	Feb. 22, 2016	3.61	3,117,232
BANK OF NOVA SCOTIA	Nov. 08, 2016	2.10	4,723,929
BELL CANADA	Mar. 16, 2018	4.40	1,641,750
BELL CANADA	May 19, 2021	4.95	523,900
CANADA HOUSING TRUST	Mar. 15, 2016	1.00	6,685,147
CANADA HOUSING TRUST	Sep. 15, 2016	1.00	37,681,767
CANADA HOUSING TRUST	Mar. 15, 2018	1.00	7,503,068
CANADA HOUSING TRUST	Jun. 15, 2018	2.05	20,162,114
CANADA HOUSING TRUST	Mar. 15, 2020	3.75	10,372,198
CANADA HOUSING TRUST	Jun. 15, 2021	3.80	356,202
CANADA HOUSING TRUST	Mar. 15, 2022	2.65	641,855
CANADIAN IMPERIAL BANK	Jan. 14, 2016	3.40	1,402,216
CANADIAN IMPERIAL BANK	Mar. 07, 2018	2.22	1,000,138
CANADIAN IMPERIAL BANK	Jun. 24, 2019	2.35	1,844,357
CHOICE PROPERTIES	Apr. 20, 2016	3.00	1,776,849
CHOICE PROPERTIES REIT	Jul. 15, 2018	3.55	835,000
CHOICE PROPERTIES REIT	Feb. 08, 2024	4.29	735,000
CU INC	Sep. 09, 2043	4.72	2,910,850
ENBRIDGE GAS DISTRIBUTION	Nov. 23, 2020	4.04	613,734
ENBRIDGE INC	Mar. 13, 2017	1.00	2,891,591
ENBRIDGE INC	Mar. 09, 2020	4.53	2,009,110

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
ENBRIDGE PIPELINES INC	Nov. 12, 2019	4.49	195,754
ENBRIDGE PIPELINES INC	Nov. 10, 2039	5.35	272,000
EPCOR UTILITIES	Apr. 15, 2038	6.65	313,125
FINNING INTL INC	Jul. 03, 2020	3.23	2,888,262
FINNING INTL INC	Jun. 13, 2042	5.08	229,162
GREATER TORONTO AIRPORTS	Apr. 17, 2018	5.26	275,250
GREATER TORONTO AIRPORTS	Feb. 25, 2041	5.30	343,110
HYDRO ONE INC	Mar. 03, 2016	4.64	532,250
HYDRO ONE INC	Oct. 09, 2018	2.78	4,292,212
HYDRO ONE INC	Sep. 26, 2041	4.39	825,690
HYDRO QUEBEC	Aug. 15, 2020	11.00	369,517
INTER PIPELINE LTD	May 30, 2017	1.00	1,810,000
JOHN DEERE CANADA FUND INC	Jul. 16, 2018	2.65	285,963
LOBLAW COS LTD	Mar. 12, 2019	3.75	2,004,003
LOBLAW COS LTD	Sep. 12, 2023	4.86	1,268,371
MET LIFE GLOB FUNDING I	Jan. 12, 2016	3.85	847,435
MUSKRAT FALLS/LABRADOR	Jun. 01, 2037	3.83	4,651,139
NATIONAL BANK OF CANADA	Jan. 30, 2015	2.23	402,360
NATIONAL BANK OF CANADA	Jun. 23, 2016	1.00	3,503,000
ONTARIO INFRASTRUCTURE	Jun. 01, 2037	4.70	648,461
PROVINCE OF ALBERTA	May 27, 2016	1.00	401,440
PROVINCE OF ALBERTA	Dec. 15, 2022	2.55	4,115,034
PROVINCE OF ALBERTA	Dec. 01, 2033	3.90	2,536,869
PROVINCE OF ALBERTA	Dec. 01, 2043	3.45	1,354,201
PROVINCE OF BRITISH COLUMBIA	Dec. 18, 2020	3.70	363,230
PROVINCE OF BRITISH COLUMBIA	Dec. 18, 2021	3.25	5,510,327
PROVINCE OF BRITISH COLUMBIA	Jun. 18, 2029	5.70	2,690,686
PROVINCE OF BRITISH COLUMBIA	Jun. 18, 2031	6.35	815,492
PROVINCE OF MANITOBA	Dec. 01, 2021	3.85	895,161
PROVINCE OF MANITOBA	Sep. 5, 2025	4.40	373,870
PROVINCE OF MANITOBA	Mar. 05, 2041	4.10	1,204,775
PROVINCE OF NOVA SCOTIA	Jun. 01, 2033	5.80	369,297
PROVINCE OF NOVA SCOTIA	Jun. 01, 2042	4.40	304,299
PROVINCE OF ONTARIO	Jun. 01, 2022	3.15	8,505,960
PROVINCE OF ONTARIO	Jun. 02, 2023	2.85	4,349,348
PROVINCE OF ONTARIO	Jun. 02, 2031	6.20	2,582,004
PROVINCE OF ONTARIO	Jun. 02, 2037	4.70	317,532
PROVINCE OF ONTARIO	Jun. 02, 2041	4.65	995,595
PROVINCE OF QUEBEC	Dec. 01, 2020	4.50	5,803,991

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
PROVINCE OF QUEBEC	Dec. 01, 2021	4.25	6,854,270
PROVINCE OF QUEBEC	Dec. 01, 2022	3.50	1,517,239
PROVINCE OF QUEBEC	Jun. 1, 2032	6.25	4,964,582
PROVINCE OF QUEBEC	Dec. 1, 2041	5.00	274,110
PROVINCE OF SASKATCHEWAN	Sep. 05, 2031	6.40	504,029
PROVINCE OF SASKATCHEWAN	Jun. 01, 2040	4.75	280,613
PROVINCE OF SASKATCHEWAN	Feb. 03, 2042	3.40	1,397,456
ROYAL BANK OF CANADA	Jan. 11, 2016	3.36	1,704,586
ROYAL BANK OF CANADA	Jul. 26, 2016	3.03	1,011,842
ROYAL BANK OF CANADA	Jul. 12, 2018	2.82	1,783,105
ROYAL BANK OF CANADA	Apr. 09, 2019	1.00	1,744,000
ROYAL BANK OF CANADA	Mar. 04, 2021	2.86	3,680,272
SHOPPERS DRUG MART CORP	May 24, 2016	2.01	1,082,806
SUN LIFE FINANCIAL INC	Nov. 23, 2035	1.00	759,894
TELUS CORP	Apr. 15, 2015	5.95	426,440
TELUS CORP	Jan. 26, 2021	3.60	582,336
THOMSON REUTERS CORP	Sep. 30, 2020	4.35	411,800
TIM HORTONS INC	Dec. 01, 2023	4.52	1,910,541
TORONTO DOMINION BANK	Aug. 15, 2017	2.43	2,363,000
TORONTO DOMINION BANK	Apr. 02, 2018	2.17	614,829
TORONTO DOMINION BANK	Apr. 02, 2019	2.45	1,462,000
TRANS CANADA PIPELINES	Jul. 19, 2023	3.69	1,377,890
WELLS FARGO CANADA CORP	Mar. 30, 2016	3.70	1,426,096
WELLS FARGO CANADA CORP	Feb. 09, 2017	2.77	2,510,500
WELLS FARGO CANADA CORP	Jan. 29, 2021	3.04	2,775,778
SHARES:			
ACCENTURE PLC CL A		–	335,881
ACTAVIS PLC		–	1,042,054
AFLAC INC		–	102,855
AGRIUM INC		–	59,401
ALIMENTATION COUCHE TARD B		–	100,004
ALLIANCE DATA SYSTEMS CORP		–	782,035
ALTRIA GROUP INC		–	268,909
AMERICAN TOWER CORP		–	280,582
AMERISOURCEBERGEN CORP		–	116,227
APPLE INC		–	1,466,290
ARC RESOURCES LTD		–	90,703
BANK OF NOVA SCOTIA		–	341,697

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
BOARDWALK REAL ESTATE INVEST		–	45,560
BROOKFIELD ASSET MANAGE CL A		–	142,182
CANADIAN NATL RAILWAY CO		–	189,915
CANADIAN NATURAL RESOURCES		–	234,534
CANADIAN PACIFIC RAILWAY		–	141,888
CANADIAN TIRE CORP CLASS A		–	75,354
CANADIAN UTILITIES LTD		–	166,237
CANFOR CORP		–	96,658
CATAMARAN CORP		–	122,492
CELGENE CORP		–	97,624
CENOVUS ENERGY INC		–	456,872
CGI GROUP INC CLASS A		–	110,376
CHEVRON CORP		–	166,712
CHICAGO BRIDGE + IRON CO NV		–	292,971
CHURCH + DWIGHT CO INC		–	101,552
CISCO SYSTEMS INC		–	179,021
CITIGROUP INC		–	123,128
COMCAST CORP CLASS A		–	949,563
CONOCOPHILLIPS		–	301,598
CONSTELLATION SOFTWARE INC		–	107,408
CORE LABORATORIES N.V.		–	716,272
COVIDIEN PLC		–	468,516
CRESCENT POINT ENERGY CORP		–	120,419
CVS HEALTH CORP		–	123,331
DOLLARAMA INC		–	68,730
ELEMENT FINANCIAL CORP		–	225,009
EMPIRE CO LTD A		–	50,070
EMPIRE CO LTD SUB RPT		–	114,652
ENBRIDGE INC		–	258,380
EXPRESS SCRIPTS HOLDING CO		–	113,093
FACEBOOK INC A		–	862,765
FORD MOTOR CO		–	992,432
FOSSIL GROUP INC		–	49,531
FRANKLIN RESOURCES INC		–	107,178
GARMIN LTD		–	719,225
GE INTL PRIVATE EQUTY FD II LP		–	5,168,240
GENERAL ELECTRIC CO		–	319,274
GILEAD SCIENCES INC		–	553,855
GOLDCORP INC		–	225,635

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
GOOGLE INC CL A		–	98,773
GREYSTONE CAN SMALL CAP FUND		–	1,025,311
HALLIBURTON CO		–	255,430
HOME DEPOT INC		–	312,854
HONEYWELL INTERNATIONAL INC		–	138,425
HUSKY ENERGY INC		–	100,274
INDUSTRIAL ALLIANCE INSURANCE		–	30,862
INTERCONTINENTAL EXCHANGE INC		–	101,926
INTL BUSINESS MACHINES CORP		–	102,423
ISHARES S+P/TSX 60 INDEX ETF		–	176,192
ITC HOLDINGS CORP		–	169,123
JPMORGAN CHASE + CO		–	143,540
LAM RESEARCH CORP		–	761,962
LINAMAR CORP		–	57,563
LOCKHEED MARTIN CORP		–	659,434
LYONDELLBASELL INDU CL A		–	115,826
MAGNA INTERNATIONAL INC		–	149,018
MANULIFE FINANCIAL CORP		–	148,085
MARATHON PETROLEUM CORP		–	277,116
MASTERCARD INC CLASS A		–	106,284
MEAD JOHNSON NUTRITION CO		–	366,847
MICHAEL KORS HOLDINGS LTD		–	278,255
NATIONAL BANK OF CANADA		–	60,739
NATIONAL OILWELL VARCO INC		–	110,793
NEXTERA ENERGY INC		–	95,141
OCCIDENTAL PETROLEUM CORP		–	201,559
OPEN TEXT CORP		–	92,071
ORACLE CORP		–	66,286
PEYTO EXPLORATION + DEV CORP		–	58,530
PFIZER INC		–	114,533
POWER FINANCIAL CORP		–	88,171
PRAXAIR INC		–	84,868
PRECISION DRILLING CORP		–	43,317
PRICELINE GROUP INC		–	198,422
QUALCOMM INC		–	100,777
QUEBECOR INC CL B		–	77,343
ROYAL BANK OF CANADA		–	309,147
SECURE ENERGY SERVICES INC		–	8,217
SHAWCOR LTD		–	34,885

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
SHERWIN WILLIAMS CO		–	59,416
SUNCOR ENERGY INC		–	157,858
SYMANTEC CORP		–	96,296
TECK RESOURCES LTD CLS B		–	44,924
TELUS CORP		–	167,579
TJX COMPANIES INC		–	126,146
TORONTO DOMINION BANK		–	314,611
TOURMALINE OIL CORP		–	209,576
UBIQUITI NETWORKS INC		–	300,866
UNION PACIFIC CORP		–	141,894
UNITEDHEALTH GROUP INC		–	96,448
VALEANT PHARMACEUTICALS INT		–	153,684
VERIZON COMMUNICATIONS INC		–	646,088
VERMILION ENERGY INC		–	48,068
WELLS FARGO + CO		–	267,822
WEST FRASER TIMBER CO LTD		–	107,937
WHITECAP RESOURCES INC		–	55,307
YAMANA GOLD INC		–	104,239
YUM BRANDS INC		–	88,653
SHORT TERM:			594,917,612
Total			**$ 984,299,725**

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
DEBENTURES:			
GOVERNMENT OF CANADA	Jun. 25, 2013	1.50	832,699
GOVERNMENT OF CANADA	Dec. 01, 2014	2.00	33,475,962
GOVERNMENT OF CANADA	Dec. 01, 2015	3.00	20,905,761
GOVERNMENT OF CANADA	Sep. 01, 2017	1.50	27,913,568
GOVERNMENT OF CANADA	Sep. 01, 2018	1.25	29,371,635
GOVERNMENT OF CANADA	Jun. 01, 2020	3.50	9,587,239
GOVERNMENT OF CANADA	Jun. 01, 2022	2.75	19,849,037
GOVERNMENT OF CANADA	Jun. 01, 2023	1.50	15,589,565
GOVERNMENT OF CANADA	Jun. 01, 2024	2.50	2,325,847
GOVERNMENT OF CANADA	Jun. 01, 2037	5.00	5,749,898
GOVERNMENT OF CANADA	Jun. 01, 2041	4.00	10,559,885
407 INTERNATIONAL INC	Jun. 16, 2020	4.99	738,825
407 INTERNATIONAL INC	May 26, 2021	4.30	1,276,875
407 INTERNATIONAL INC	Nov. 24, 2017	3.87	2,409,954
407 INTERNATIONAL INC	Nov. 15, 2041	4.45	536,898
ALBERTA CAP FINANCE AUTH	Dec. 15, 2025	4.45	467,207
ALLIANCE PIPELINES LP	Jun. 30, 2023	7.18	20,481
ALTAGAS LTD	Jun. 12, 2013	3.57	492,000
BANK OF MONTREAL	Mar. 23, 2015	1.00	7,620,149
BANK OF MONTREAL	Oct. 05,2015	1.89	1,179,679
BANK OF MONTREAL	Sep. 13, 2018	3.21	7,303,261
BANK OF MONTREAL	Apr. 23, 2021	3.40	878,599
BANK OF NOVA SCOTIA	May 8, 2015	2.25	3,753,013
BANK OF NOVA SCOTIA	Feb. 22, 2016	3.61	4,720,389
BANK OF NOVA SCOTIA	Nov. 08, 2016	2.10	403,560
BANK OF NOVA SCOTIA	Oct. 03, 2018	1.00	548,146
BANK OF NOVA SCOTIA	Oct. 03, 2018	6.00	490,996
BANK OF NOVA SCOTIA	Apr. 15, 2019	4.94	1,549,518
BC FERRY SERVICES INC	May 27, 2014	5.74	1,224,973
BELL CANADA	Jun. 30, 2014	4.85	1,480,996
BELL CANADA	Mar. 16, 2018	4.40	584,240
BELL CANADA	Jun. 17, 2020	3.25	263,666
BELL CANADA	May 19, 2021	4.95	551,500
BRIT COL MUNI FIN AUTH	Nov. 20, 2018	5.10	1,327,080
CANADA HOUSING TRUST	Mar. 15,2016	1.38	1,715,706
CANADA HOUSING TRUST	Jun. 16, 2016	2.75	2,976,253
CANADA HOUSING TRUST	Sep. 15, 2016	1.33	10,401,717
CANADA HOUSING TRUST	Mar. 15, 2018	1.32	709,454

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
CANADA HOUSING TRUST	Jun. 15, 2018	2.05	10,080,455
CANADA HOUSING TRUST	Mar. 15, 2020	3.75	11,370,949
CANADA HOUSING TRUST	Jun. 15, 2021	3.80	3,718,959
CANADA HOUSING TRUST	Mar. 15, 2022	2.65	3,477,428
CANADA POST CORP	Jul. 16, 2040	4.36	1,058,849
CANADIAN IMPERIAL BANK	Nov. 19, 2014	3.30	3,470,311
CANADIAN IMPERIAL BANK	Jan. 14, 2016	3.40	2,685,145
CANADIAN IMPERIAL BANK	Mar. 07, 2018	2.22	2,400,107
CHOICE PROPERTIES	Apr. 20, 2016	3.00	585,350
CU INC	Sep. 10, 2042	3.81	972,965
CU INC	Sep. 09, 2043	4.72	329,918
ENBRIDGE GAS DISTRIBUTION	Nov. 23, 2020	4.04	615,836
ENBRIDGE INC	Mar. 09,2020	4.53	392,940
ENBRIDGE PIPELINES INC	Nov. 12, 2019	4.49	253,805
ENBRIDGE PIPELINES INC	Nov. 10, 2039	5.35	708,345
ENERSOURCE CORP	Apr. 29, 2014	5.30	484,720
EPCOR UTILITIES	Jan. 31, 2018	5.80	2,876,251
EPCOR UTILITIES	Apr. 15, 2038	6.65	493,463
FINNING INTL INC	Jun. 01, 2018	6.02	427,950
FINNING INTL INC	Jul. 03, 2020	3.23	1,090,940
FINNING INTL INC	Jun. 13, 2042	5.08	877,846
GREAT WEST LIFECO INC	Mar. 21, 2033	6.67	358,737
GREAT WEST LIFECO INC	Nov. 16, 2039	6.00	546,879
GREATER TORONTO AIRPORTS	Apr. 17, 2018	5.26	1,783,936
GREATER TORONTO AIRPORTS	Feb. 25, 2041	5.30	2,003,892
HYDRO ONE INC	Mar. 03, 2016	4.64	1,600,868
HYDRO ONE INC	Oct. 09, 2018	2.78	1,134,700
HYDRO ONE INC	Sep. 26, 2041	4.39	803,578
HYDRO QUEBEC	Aug. 15, 2020	11.00	5,812,449
INTER PIPELINE LTD	Feb. 02, 2021	4.97	494,448
JOHN DEERE CANADA FND INC	Jan. 14, 2016	1.95	452,700
JOHN DEERE CANADA FND INC	Jul. 16, 2018	2.65	285,485
JOHN DEERE FINANCIALS IN	Sep. 16, 2015	5.45	1,063,049
LOBLAW COS LTD	Mar. 12, 2019	3.75	682,175
MET LIFE GLOB FUNDING I	Apr. 10, 2015	2.62	1,098,357
MUSKRAT FALLS/LABRADOR	Jun. 01, 2037	3.83	1,249,405
NATIONAL BANK OF CANADA	Jan. 30, 2015	2.23	2,976,647
NATIONAL BANK OF CANADA	Dec. 15, 2016	2.70	658,194
NATIONAL BANK OF CANADA	Nov. 15, 2018	1.00	2,607,477

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
PLENARY HEALTH BRIDGEPOINT	Aug. 31, 2042	7.25	589,396
PROVINCE OF ALBERTA	May 27, 2016	1.39	3,641,424
PROVINCE OF ALBERTA	Sep. 01, 2016	1.85	2,816,430
PROVINCE OF ALBERTA	Dec. 15, 2022	2.55	1,780,856
PROVINCE OF ALBERTA	Dec. 01, 2033	3.90	873,796
PROVINCE OF ALBERTA	Dec. 01, 2043	3.45	523,098
PROVINCE OF BRITISH COLUMBIA	Dec. 18, 2018	4.65	1,841,581
PROVINCE OF BRITISH COLUMBIA	Dec. 18, 2020	3.70	1,106,404
PROVINCE OF BRITISH COLUMBIA	Dec. 18, 2021	3.25	1,690,628
PROVINCE OF BRITISH COLUMBIA	Jun. 18, 2029	5.70	521,836
PROVINCE OF BRITISH COLUMBIA	Jun. 18, 2031	6.35	5,378,289
PROVINCE OF MANITOBA	Dec. 01, 2021	3.85	2,907,029
PROVINCE OF MANITOBA	Sep. 05, 2025	4.40	942,703
PROVINCE OF MANITOBA	Mar. 05, 2041	4.10	1,046,671
PROV OF NEW BRUNSWICK	Mar. 26, 2037	4.55	387,575
PROVINCE OF NEWFOUNDLAND	Oct. 17, 2033	5.60	961,076
PROVINCE OF NOVA SCOTIA	Jun. 01, 2033	5.80	1,553,248
PROVINCE OF NOVA SCOTIA	Jun. 01, 2042	4.40	1,157,207
PROVINCE OF ONTARIO	Jun. 02, 2022	3.15	8,425,293
PROVINCE OF ONTARIO	Jun. 02, 2023	2.85	4,326,755
PROVINCE OF ONTARIO	Jun. 02, 2031	6.20	3,277,676
PROVINCE OF ONTARIO	Jun. 02, 2037	4.70	565,870
PROVINCE OF ONTARIO	Jun. 02, 2041	4.65	832,450
PROVINCE OF QUEBEC	Dec. 01, 2020	4.50	5,839,979
PROVINCE OF QUEBEC	Dec. 01, 2021	4.25	984,405
PROVINCE OF QUEBEC	Dec. 01, 2022	3.50	1,523,954
PROVINCE OF QUEBEC	Jun. 01, 2032	6.25	2,196,360
PROVINCE OF QUEBEC	Dec. 01, 2036	5.75	614,421
PROVINCE OF QUEBEC	Dec. 01, 2041	5.00	225,388
PROVINCE OF SASKATCHEWAN	Sep. 05, 2031	6.40	1,197,437
PROVINCE OF SASKATCHEWAN	Jun. 01, 2040	4.75	1,385,405
PROVINCE OF SASKATCHEWAN	Feb. 03, 2042	3.40	431,818
ROYAL BANK OF CANADA	Jan. 11, 2016	3.36	1,976,234
ROYAL BANK OF CANADA	Jul. 26, 2016	3.03	3,538,811
ROYAL BANK OF CANADA	Mar. 12, 2018	2.26	1,765,329
ROYAL BANK OF CANADA	Jul. 12, 2018	2.82	1,827,085
ROYAL BANK OF CANADA	Mar. 04, 2021	2.86	401,880
ROYAL OFFICE FINANCE LP	Nov. 12, 2037	5.21	27,214
SHOPPERS DRUG MART CORP	May 24, 2016	2.01	1,495,351

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
TCHC ISSUER TRUST	May 11, 2037	4.88	655,185
TELUS CORP	Apr. 15, 2015	5.95	2,400,422
TELUS CORP	Jan. 26, 2021	3.60	583,898
THOMSON REUTERS CORP	Sep. 30, 2020	4.35	1,015,663
TIM HORTONS INC	Dec. 01, 2023	4.52	1,982,600
TORONTO DOMINION BANK	Aug. 15, 2017	2.43	2,377,060
TORONTO DOMINION BANK	Apr. 02, 2018	2.17	1,298,442
TRANS CANADA PIPELINES	Jul. 19, 2023	3.69	325,492
WELLS FARGO CANADA CORP	Nov. 03, 2014	3.97	2,842,394
WELLS FARGO CANADA CORP	Feb. 09, 2017	2.77	1,207,567
WELLS FARGO CANADA CORP	Jan. 29, 2021	3.04	571,413
SHARES:			
ACCENTURE PLC CL A		–	1,120,978
ACTAVIS PLC		–	403,359
AFLAC INC		–	360,694
AGNICO EAGLE MINES LTD		–	115,823
AGRIUM INC		–	250,691
ALIMENTATION COUCHE TARD B		–	299,625
ALLIANCE DATA SYSTEMS CORP		–	316,903
ALTRIA GROUP INC		–	639,048
AMERICAN TOWER CORP		–	421,020
AMERISOURCEBERGEN CORP		–	537,791
APPLE INC		–	1,169,146
ARC RESOURCES LTD		–	165,182
BANK OF NOVA SCOTIA		–	545,641
BOARDWALK REAL ESTATE INVEST		–	75,921
BROOKFIELD ASSET MANAGE CL A		–	228,615
CANADIAN NATL RAILWAY CO		–	439,684
CANADIAN PACIFIC RAILWAY LTD		–	10,426
CANADIAN TIRE CORP CLASS A		–	164,281
CANADIAN UTILITIES LTD A		–	63,167
CANFOR CORP		–	113,308
CATAMARAN CORP		–	254,809
CELGENE CORP		–	365,658
CENOVUS ENERGY INC		–	433,853
CGI GROUP INC CLASS A		–	267,541
CHEVRON CORP		–	1,032,208
CHICAGO BRIDGE + IRON CO NV		–	1,331,945
CHURCH + DWIGHT CO INC		–	367,652

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
CISCO SYSTEMS INC		–	746,300
CITIGROUP INC		–	483,206
COMCAST CORP CLASS A		–	283,439
CONSTELLATION SOFTWARE INC		–	74,243
CORE LABORATORIES N.V.		–	235,659
COVIDIEN PLC		–	364,631
CRESCENT POINT ENERGY CORP		–	176,058
CVS HEALTH CORP		–	496,240
DOLLARAMA INC		–	188,459
ELEMENT FINANCIAL CORP		–	134,460
EMPIRE CO LTD A		–	144,531
EMPIRE CO LTD SUB RPT		–	8,958
ENBRIDGE INC		–	385,846
EXPRESS SCRIPTS HOLDING CO		–	721,174
FACEBOOK INC A		–	305,102
FINNING INTERNATIONAL INC		–	150,986
FIRST MAJESTIC SILVER CORP		–	55,803
FORD MOTOR CO		–	364,857
FOSSIL GROUP INC		–	426,014
FRANKLIN RESOURCES INC		–	476,276
GARMIN LTD		–	125,205
GE INTL PRIVATE EQUTY FD II LP		–	3,023,158
GEAM INTERNATIONAL PRIV EQU FD		–	17,201,776
GENERAL ELECTRIC CO		–	1,133,167
GILEAD SCIENCES INC		–	74,558
GOLDCORP INC		–	179,041
GOOGLE INC CL A		–	855,837
GREYSTONE CAN SMALL CAP FUND		–	13,769,884
HALLIBURTON CO		–	675,247
HOME DEPOT INC		–	609,968
HONEYWELL INTERNATIONAL INC		–	583,966
HUSKY ENERGY INC		–	191,753
INDUSTRIAL ALLIANCE INSURANC		–	122,296
INTACT FINANCIAL CORP		–	11,853
INTACT FINANCIAL CORP		–	5,884
INTACT FINANCIAL CORP		–	2,982
INTERCONTINENTAL EXCHANGE IN		–	395,586
INTL BUSINESS MACHINES CORP		–	1,018,140
ISHARES S+P/TSX 60 INDEX ETF		–	179,971

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
ITC HOLDINGS CORP		–	474,744
JPMORGAN CHASE + CO		–	773,712
LAM RESEARCH CORP		–	268,616
LOCKHEED MARTIN CORP		–	112,829
LYONDELLBASELL INDU CL A		–	565,083
MAGNA INTERNATIONAL INC		–	419,023
MALLINCKRODT PLC		–	40,318
MANULIFE FINANCIAL CORP		–	418,160
MARATHON PETROLEUM CORP		–	931,735
MASTERCARD INC CLASS A		–	655,380
MEAD JOHNSON NUTRITION CO		–	350,539
METRO INC		–	144,217
MICHAEL KORS HOLDINGS LTD		–	521,861
NATIONAL BANK OF CANADA		–	175,668
NATIONAL OILWELL VARCO INC		–	517,660
NEXTERA ENERGY INC		–	714,393
NOW INC		–	51,123
OCCIDENTAL PETROLEUM CORP		–	372,404
OPEN TEXT CORP		–	214,155
ORACLE CORP		–	708,634
PEYTO EXPLORATION + DEV CORP		–	132,928
PFIZER INC		–	349,428
POWER FINANCIAL CORP		–	27,913
PRAXAIR INC		–	967,554
PRECISION DRILLING CORP		–	145,922
PRICELINE GROUP INC/THE		–	711,868
QUALCOMM INC		–	435,598
QUEBECOR INC CL B		–	160,347
ROYAL BANK OF CANADA		–	661,530
SAPUTO INC		–	155,892
SHAWCOR LTD		–	104,290
SHERWIN WILLIAMS CO/THE		–	704,523
SUNCOR ENERGY INC		–	684,178
SYMANTEC CORP		–	691,154
TECK RESOURCES LTD CLS B		–	181,190
TJX COMPANIES INC		–	453,785
TORONTO DOMINION BANK		–	675,593
TOURMALINE OIL CORP		–	65,922
TRANSCANADA CORP		–	193,123

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
UNION PACIFIC CORP		–	609,481
UNITEDHEALTH GROUP INC		–	313,420
VALEANT PHARMACEUTICALS INTE		–	327,340
VERIZON COMMUNICATIONS INC		–	50,687
VERMILION ENERGY INC		–	121,761
WELLS FARGO + CO		–	445,105
WEST FRASER TIMBER CO LTD		–	151,389
WESTJET AIRLINES LTD		–	67,076
YAMANA GOLD INC		–	207,382
YUM BRANDS INC		–	713,120
BROKERAGE FEES			34,144
SHORT TERM:			608,339,847
TOTAL			$ 1,078,801,466

SCHEDULE 4
TEACHERS' VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST, AS AT JUNE 30, 2014 (UNAUDITED)

Investments	2014 Total Fair Value ($000's)	2014 Accrued Interest ($000's)	2013 Total Fair Value ($000's)	2013 Accrued Interest ($000's)
Pooled Funds	$ 3,578	$ –	$ 3,343	$ –
Total	$ 3,578	$ –	$ 3,343	$ –

SCHEDULE 5
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 30,653
Greystone EAFE Growth Fund	22,599
Greystone US Equities Fund	41,184
Greystone Fixed Income Fund	159,116
Greystone Money Market Fund	156,419
TOTAL	**$ 409,971**

SCHEDULE 6
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 183,771
Greystone EAFE Growth Fund	14,842
Greystone US Equities Fund	49,068
Greystone Fixed Income Fund	110,500
Greystone Money Market Fund	151,435
TOTAL	**$ 509,616**

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